

# CITY OF HOUSTON PUBLIC WORKS & ENGINEERING



BUDGET & FISCAL AFFAIRS COMMITTEE

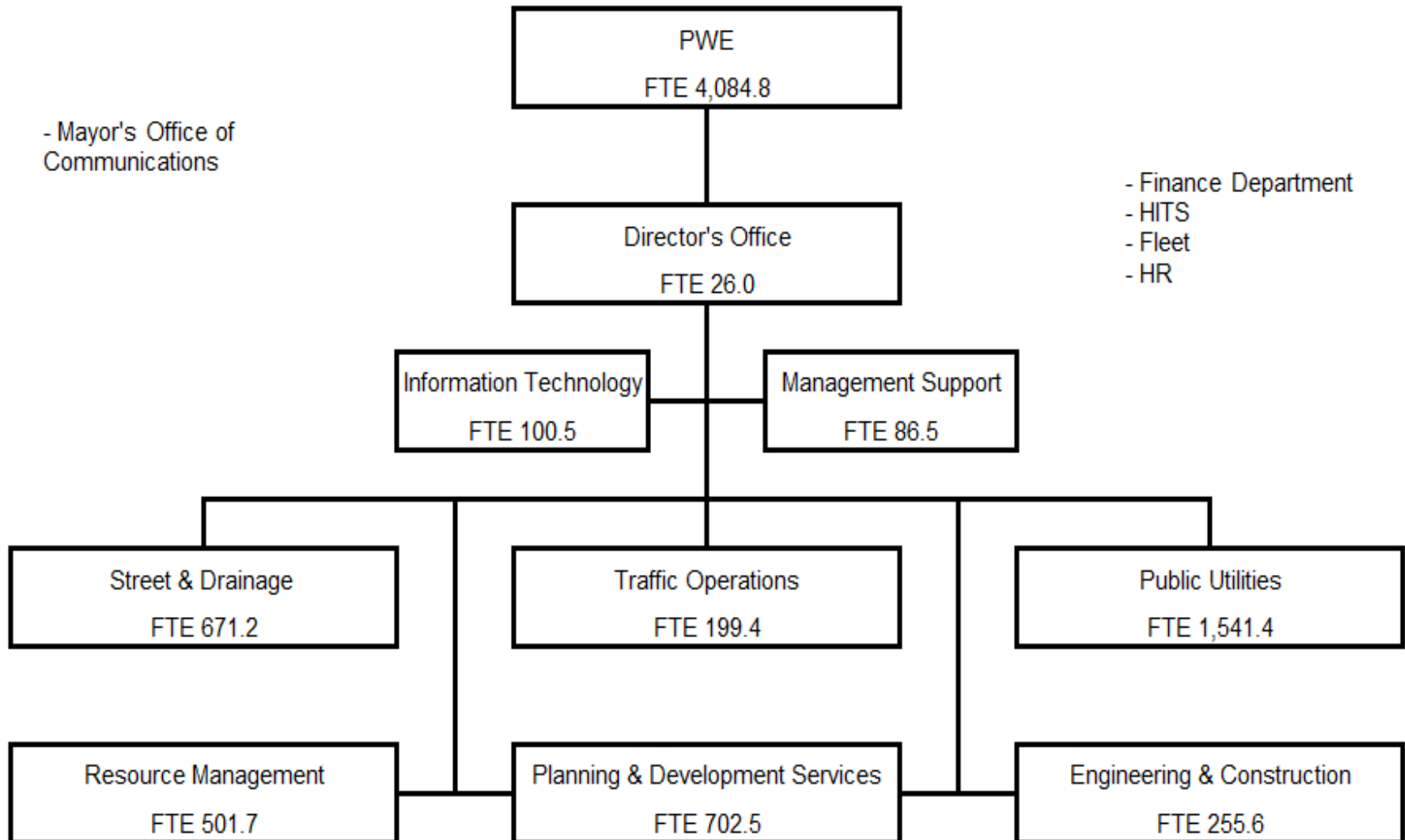


FY2015 BUDGETS &  
CORE SERVICES PRESENTATION





# PUBLIC WORKS & ENGINEERING DEPARTMENT ORGANIZATIONAL CHART





## PWE DEPARTMENT FY14 ACCOMPLISHMENTS



- Accredited By American Public Works Association
- Texas Society of Professional Engineers Qualifications Based Selection Award
- Rated Superior Water System By Texas Council On Environmental Quality
- Fitch Rating upgraded the Combined Utility System's bond rating



# PWE BUDGETS SUMMARY ALL FUNDS

(amounts expressed in millions)



Funds	Fund Names	Revenue FY14 Budget	Revenue FY15 Proposed	Variance	% Change	Expenditure FY14 Budget	Expenditure FY15 Proposed	Variance	% Change	Fund Balance FY14 Budget	Fund Balance FY15 Proposed
1000	General Fund	\$ 2.4	\$ 2.4	\$ 0.0	0.9%	\$ 35.0	\$ 34.1	\$ 0.9	2.7%	\$ -	\$ -
1001	Project Cost Recovery	41.8	44.1	2.3	5.5%	41.8	44.1	(2.3)	-5.5%	0.0	0.0
2301	Building Inspection	62.0	71.3	9.3	15.0%	67.8	77.0	(9.2)	-13.6%	15.2	20.2
2302	Stormwater Fund	55.7	56.2	0.5	0.8%	58.7	56.2	2.5	4.3%	5.0	2.0
2310	DDSRF	176.9	198.7	21.8	12.3%	211.1	221.9	(10.8)	-5.1%	93.8	74.7
2402	Houston TranStar	2.5	2.3	(0.2)	-9.7%	2.9	2.9	0.0	1.6%	2.3	2.3
8300	Water & Sewer	1,001.7	1,003.3	1.6	0.2%	848.5	850.3	(1.8)	-0.2%	35.9	235.0
8301	CUS Operating	422.4	414.7	(7.7)	-1.8%	422.4	414.7	7.7	1.8%	35.9	35.9
8305	CUS General Purpose	0.0	0.0	0.0	0.0%	183.4	151.6	31.8	17.3%	495.7	319.1
<b>Total</b>		<b>\$1,765.4</b>	<b>\$1,793.0</b>	<b>\$ 27.6</b>	<b>1.6%</b>	<b>\$ 1,871.6</b>	<b>\$ 1,852.8</b>	<b>\$ (18.8)</b>	<b>-1.0%</b>	<b>\$ 683.8</b>	<b>\$ 689.2</b>





## FY15 PWE DEPARTMENT INITIATIVES BY DIVISION



- Implement new street maintenance and repair capabilities to include: mill & overlay, asphalt repairs, concrete panel replacement, street sweeping. **(Street & Drainage)**
- Improve skin patching in street maintenance through flow charting and documenting work process; extend production level at established productivity goal **(Street & Drainage)**
- Utilize outsourced plan review services to address workload peaking and maintain service levels **(Planning & Development)**
- Improve work flow and timeliness of review through implementation of the Electronic Plan Review system **(Planning & Development)**
- Continue to expand the WiMax network for greater network connectivity across PWE assets and access to remote sites. **(Traffic Operations and Information Technology)**



## FY15 PWE DEPARTMENT INITIATIVES BY DIVISION



- Complete update of utility customer information/billing system; complete utility customer call center upgrade. **(Resource Management)**
- Continue to reduce electricity usage through pump preventative maintenance, use of LED lighting, and implementing multipoint measurements to monitor flow. **(Public Utilities)**
- Implement improved work management system technology to reduce paperwork handling by allowing field investigators and repair crews to process work orders online. **(Public Utilities)**
- Establish and sustain improved response capability to investigate and respond to reported SSOs. **(Public Utilities)**
- Continue coordination with O&M Divisions for asset inventory, planning, and allocation between Capital and Operation & Maintenance expenditures. **(Engineering & Construction)**



# PWE TOTAL REVENUES BY FUND

(amounts expressed in millions)



Funds	Fund Names	FY13 Budget	FY13 Actual	FY14 Budget	FY14 Estimate	FY15 Proposed Budget	Variance from FY14 Estimate	% Change
1000	General Fund	\$ 2.5	\$ 2.4	\$ 2.4	\$ 2.4	\$ 2.4	\$ 0.0	0.9%
1001	Project Cost Recovery	39.3	34.7	41.8	39.6	44.1	4.5	11.5%
2301	Building Inspection	54.7	64.0	62.0	71.9	71.3	(0.6)	-0.8%
2302	Stormwater Fund	51.6	50.0	55.7	53.7	56.2	2.5	4.6%
2310	DDSRF	169.6	179.4	176.9	187.7	198.7	11.0	5.9%
2402	Houston TranStar	2.2	2.2	2.5	2.4	2.3	(0.1)	-2.5%
8300	Water & Sewer	950.4	952.2	1,001.7	1,001.7	1,003.3	1.6	0.2%
8301	CUS Operating	356.7	198.8	422.4	406.5	414.7	8.2	2.0%
<b>Total</b>		<b>\$1,627.0</b>	<b>\$1,483.7</b>	<b>\$1,765.4</b>	<b>\$1,765.9</b>	<b>\$ 1,793.0</b>	<b>\$ 27.1</b>	<b>1.5%</b>



## FY15 PWE REVENUE HIGHLIGHTS



### Adopted Budget to Proposed Budget:

- Building Inspection Fund revenues are projecting to increase by \$9.3M primarily due to higher permit activities.
- Water and Sewer Fund revenues are projecting to increase by \$1.6M due to slightly higher usage and automatic indexed rate increase.
- CUS Operating Fund revenues are projecting to decrease by \$7.8M due to less internal transfers to Fund 8301 attributed to lower debt payments in FY15 offset by an increase in Impact Fees (\$3.5M).
- Dedicated Drainage & Street Renewal Fund revenues are projecting to increase by \$21.8M due to higher Ad Valorem tax revenues and City drainage revenues attributed to enterprise funds resuming drainage charge payments in FY15 – prepaid 2 years in FY12.





# PWE TOTAL EXPENDITURES BY FUND

(amounts expressed in millions)



Funds	Fund Names	FY13 Budget	FY13 Actual	FY14 Budget	FY14 Estimate	FY15 Proposed Budget	Variance from FY14 Estimate	% Change	FTEs FY14 Budget	FTEs FY15 Proposed
1000	General Fund	\$ 37.6	\$ 37.4	\$ 35.0	\$ 35.0	\$ 34.1	\$ 0.9	2.6%	15.0	15.0
1001	Project Cost Recovery	39.2	34.7	41.8	39.6	44.1	(4.5)	-11.4%	330.0	335.0
2301	Building Inspection	61.2	59.8	67.8	66.8	77.0	(10.2)	-15.3%	527.1	583.8
2302	Stormwater Fund	51.6	47.6	58.7	56.7	56.2	0.5	0.9%	373.2	364.9
2310	DDSRF	178.9	161.6	211.1	206.7	221.9	(15.2)	-7.4%	488.8	518.8
2402	Houston TranStar	2.4	2.0	2.9	2.4	2.9	(0.5)	-20.8%	8.0	8.0
8300	Water & Sewer	824.8	777.0	848.5	802.6	850.3	(47.7)	-5.9%	2,261.4	2,259.3
8301	CUS Operating	356.7	327.3	422.4	406.5	414.7	(8.2)	-2.0%	0.0	0.0
8305	CUS General Purpose	144.7	127.2	183.4	176.6	151.6	25.0	14.2%	0.0	0.0
<b>Total</b>		<b>\$ 1,697.1</b>	<b>\$ 1,574.6</b>	<b>\$ 1,871.6</b>	<b>\$ 1,792.9</b>	<b>\$ 1,852.8</b>	<b>\$ (59.9)</b>	<b>-3.3%</b>	<b>4,003.5</b>	<b>4,084.8</b>



## FY15 PWE EXPENDITURE HIGHLIGHTS



### Adopted Budget to Proposed Budget:

- Building Inspection Fund increase of \$10.5M is primarily due to:
  - Salary & Pension rate increases
  - Increase in staffing and temporary personnel to assist in handling the increased permit activity at HPC
- Dedicated Drainage & Street Renewal Fund increase of \$35.8M is mainly due to:
  - Salary & Pension rate increases
  - Funding ongoing payments for more CIP projects
  - Budgeting for additional street maintenance and repair contracts
- CUS Funds (8300, 8301 & 8305) decrease of \$11.8M is mainly due to:
  - Less internal transfers within CUS and to Stormwater
  - Lower debt payments in FY15 offset by the following increases:
    - Salary & Pension rate increases
    - Electricity and Natural Gas price increases
    - New operational and preventative maintenance contracts



# SUMMARY OF KEY PROCESSES



Key Product (p)/Service (s)	Key Processes/Activities	Key Process Management Responsibility
<b>Water (p)</b>	<b>Treat and Distribute water</b>	<b>Deputy Director, Public Utilities</b>
	Treat and distribute water	
	Maintain treatment and distribution assets	
<b>Wastewater Services (s)</b>	<b>Collect and Treat wastewater</b>	<b>Deputy Director, Public Utilities</b>
	Collect and treat wastewater	
	Maintain collection and treatment assets	
<b>Utility Customer Services (s)</b>	<b>Issue and Collect utility bills</b>	<b>Deputy Director, Resource Management</b>
	Provide and maintain metering devices and system	
	Assist account holders for bill payment	
<b>Drainage (s)</b>	<b>Collect and Discharge stormwater</b>	<b>Deputy Director, Streets &amp; Drainage</b>
	Own/operate drainage system (incl/complying with permit)	
	Maintain storm sewers	
	Maintain drainage ditches	
<b>Street (p)</b>	<b>Provide and Maintain mobility improvements</b>	<b>Deputy Director, Street &amp; Drainage</b>
	Own/operate pavements	
	Maintain pavements	
<b>Traffic Controls (s)</b>	<b>Provide traffic regulation</b>	<b>Deputy Director, Traffic Operations</b>
	Operate traffic systems	
	Maintain traffic systems	
<b>Development Services (s)</b>	<b>Establish &amp; Enforce development records and standards</b>	<b>Deputy Director, Planning and Development Services</b>
	Maintain, administer and enforce building and sign codes	
	Approve private construction within the public ROW	
	Assure commercial habitability and neighborhood protection	
	Maintain standards and records for public infrastructure	
<b>New/replacement infrastructure (p)</b>	<b>Deliver capital projects</b>	<b>Deputy Director, Engineering &amp; Construction</b>
	Plan, program and coordinate capital projects	
	Manage design of capital projects	
	Manage construction of capital projects	



# PWE CORE SERVICES MATRIX

(amounts expressed in millions)



Activities by Key Process					Mark with (X) if applicable.			
	Annual Projected Personnel Cost	Annual Projected Supplies/ Services Cost	Total Annual Cost	Annual Projected FTEs	Mandated	Direct Service	Administrative	Funds
<b>Treat and Distribute water</b>								
Treat and distribute water	\$33.2	\$112.3	\$151.4	393.5	X	X		8300 & 8305
Maintain treatment and distribution assets	\$31.3	\$26.7	\$63.9	404.7		X		8300 & 8305
<b>Collect and Treat wastewater</b>								
Collect and treat wastewater	\$49.2	\$84.2	\$138.0	593.4	X	X		8300 & 8305
Maintain collection and treatment assets	\$26.7	\$20.3	\$51.6	353.3		X		8300 & 8305
<b>Issue and Collect utility bills</b>								
Provide and maintain metering devices and system	\$14.6	\$10.7	\$28.3	183.7		X		8300 & 8305
Assist account holders for bill payment	\$20.6	\$15.4	\$36.6	276.7	X	X		2310, 8300 & 8305
<b>Collect and Discharge stormwater</b>								
Own/operate drainage system (incl/complying with permit)	\$6.5	\$8.4	\$15.3	92.3	X	X		1000, 2302 & 2310
Maintain storm sewers	\$8.6	\$4.2	\$14.6	132.1		X		2302
Maintain drainage ditches	\$8.8	\$4.6	\$14.7	159.2		X		2302



# PWE CORE SERVICES MATRIX

(amounts expressed in millions)



Activities by Key Process					Mark with (X) if applicable.			
	Annual Projected Personnel Cost	Annual Projected Supplies/ Services Cost	Total Annual Cost	Annual Projected FTEs	Mandated	Direct Service	Administrative	Funds
<b>Provide and Maintain mobility improvements</b>								
Own/operate pavements	\$1.6	\$2.0	\$3.7	20.6	X	X		2310
Maintain pavements	\$16.1	\$22.5	\$42.0	275.6		X		2310
<b>Provide traffic regulation</b>								
Operate traffic systems	\$3.7	\$36.6	\$40.4	44.2	X	X		1000, 1001, 2310 & 2402
Maintain traffic systems	\$12.8	\$5.6	\$19.5	156.8		X		1000 & 2310
<b>Establish &amp; Enforce development records and standards</b>								
Maintain, administer and enforce building and sign codes	\$46.8	\$15.2	\$65.1	522.9	X	X		2301, 8300 & 8305
Review, approve and inspect private construction within the public ROW	\$8.5	\$2.4	\$12.1	87.3	X	X		1000 & 2301
Assure commercial habitability and neighborhood protection	\$2.2	\$1.9	\$5.2	24.8	X	X		2301
Maintain standards and records for public infrastructure	\$1.3	\$0.6	\$1.9	11.3	X	X		1001
<b>Deliver capital projects</b>								
Plan, program and coordinate capital projects	\$8.8	\$2.0	\$10.9	83.6	X	X		1001, 2310, 8300 & 8305
Manage design of capital projects	\$13.3	\$3.5	\$17.0	122.4	X	X		1001, 2310 & 8300
Manage construction of capital projects	\$14.5	\$3.6	\$18.3	146.4	X	X		1001, 2310, 8300 & 8305
<b>Total All Activities</b>	<b>\$329.1</b>	<b>\$382.7</b>	<b>\$750.5</b>	<b>4,084.8</b>				





# FY15 DEBT SERVICE OVERVIEW

(amounts expressed in millions)



Fund	Description	Debt Service		Principal
8300 / 8301 / 8305	CUS Infrastructure	\$	440.2	\$ 6,250.0
2302	Drainage Infrastructure	\$	14.8	\$ 226.6
2301	HPC	\$	5.9	\$ 37.6
2301	Pension bond	\$	1.0	\$ 12.9
2302	Pension bond	\$	0.7	\$ 9.1
8305	Pension bond	\$	4.7	\$ 60.2
1000	LED Traffic Signal Upgrade	\$	1.5	\$ 8.2
Total		\$	468.8	\$ 6,604.6

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